

## DRJ's Blog

April 22, 2013

[email](#)

[print](#)

[Tweet](#)

[Like](#)

178

# Congress Used Boston To Quietly Kill Insider Trading Rules For Itself

Jon "DRJ" Najarian | [ask-drj@optionmonster.com](mailto:ask-drj@optionmonster.com)



Do any of you remember November of 2011, when 60 Minutes did a big expose on insider trading within Congress? Many of us do, and many of us remember the outrage the public felt about our "leaders" trading and presumably, profiting from material non-public information they gain access to by virtue of their position(s) in oversight of a host of governmental regulators.

You see, everyone else in America is subject to basic insider trading rules, but members of Congress were exempt from the rules. And, as you would imagine, many in Congress have access to market-moving, non-public information. And they made use of it. Some became millionaires from this abhorrent practice, and others just sold this information to hedge funds, or traded it to God knows who and for what potential gain. It makes me sick, but the practice was rampant until that fateful 60 Minutes

broadcast.

Of course, after that report came out and got lots of attention, Congress had to act, and within months they had passed the STOCK Act with overwhelming support in Congress to make insider trading laws that apply to everyone else finally apply to Congress and Congressional staffers as well.

But now that we are no longer in an election year, these pious, pompous, embarrassments to capitalism decided that there was no reason for them, their staffers or other workers that might avail themselves of some valuable tidbit to forgo the potential windfalls of trading with tomorrow's newspaper today.

Thus, the U.S. House on Friday eliminated a key requirement of the insider trading law for most federal employees, passing legislation exempting these workers, including congressional staff, from a rule scheduled to take effect this week that mandated online posting of financial transactions.

The STOCK Act required that in addition to members of Congress, both executive branch employees and senior congressional aides also needed to report their stock trades regularly and post them online, and I guess Congress just viewed this responsibility as too onerous and potentially posing "security risks."

So what I'm telling you my friends is that our Congress just gutted the bill that was to stop up to 28,000 senior executive branch employees from cheating. The president signed what's left of the STOCK Act today, as our cowardly "leaders" used the events in Boston and Texas as cover. We can't get a budget passed, can't address our deficit spending, but we can keep the gravy train running for the fat cats!

Copyright © 2013 OptionMonster® Holdings, Inc. All Rights Reserved.

URL: [www.optionmonster.com/drj\\_blog/article.php?page=drj\\_blog](http://www.optionmonster.com/drj_blog/article.php?page=drj_blog)

[/congress\\_used\\_boston\\_to\\_quietly\\_kill\\_insider\\_trading\\_rules\\_for\\_itself\\_80749.html](http://www.optionmonster.com/drj_blog/article.php?page=drj_blog/congress_used_boston_to_quietly_kill_insider_trading_rules_for_itself_80749.html)